



October 24, 2012

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, DC 20554

**Re: *Ex Parte* Communication: WC Docket Nos. 10-90, 07-135, 05-337, 03-109;  
CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51; WT Docket No. 10-208**

Dear Ms. Dortch:

On October 22 and October 23, 2012, Genevieve Morelli of the Independent Telephone & Telecommunications Alliance (“ITTA”) and the undersigned met separately with Nicholas Degani, legal advisor to Commissioner Pai; Christine Kurth, legal advisor to Commissioner McDowell; and Michael Steffen, legal advisor to Chairman Genachowski, who was joined by Julie Veach and Carol Matthey of the Wireline Competition Bureau (“WCB”), to discuss the Commission’s consideration of a Further Notice of Proposed Rulemaking (“FNPRM”) regarding the CAF Phase I program. Michael Saperstein of Frontier Communications participated in the meeting with Mr. Degani, Jeffrey Lanning of CenturyLink participated in the meeting with Ms. Kurth, and Melissa Newman of CenturyLink and Michael Saperstein of Frontier Communications participated in the meeting with Mr. Steffen and WCB staff.

ITTA stated its position that, to the extent it is not possible to begin implementation of CAF Phase II by January 1, 2013, the Commission should maintain the CAF Phase I program for a second year and make available to price cap carriers the funds that remain from the original \$300 million from the first year of the program along with \$300 million for year two of the program.

We also urged the Commission to allocate CAF Phase I funding among carriers in year two of the program utilizing the same criteria as it did the first year of the program, but to allow carriers greater flexibility in using the funds to better enable them to achieve the purpose of the CAF Phase I program. In particular, the Commission should permit carriers to use CAF Phase I funding to deploy broadband to any location where 4 Mbps/1 Mbps service is not available, or to locations that the National Broadband Map inaccurately identifies as served by other providers.<sup>1</sup> In addition, carriers should be permitted to use CAF Phase I funds for second mile facilities.

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<sup>1</sup> See CenturyLink Petition for Waiver, WC Docket Nos. 10-90, 07-135, 05-337, 03-109; CC Docket Nos. 01-92, 96-45; GN Docket No. 09-51, WT Docket No. 10-208 (filed June 26, 2012);

Given that such relief would further the objective of CAF Phase I to “expand voice and broadband availability as much and as quickly as possible” to rural consumers that lack access to such service today, it is essential for the Commission to allow CAF Phase I funding to be used for such purposes during the second year of the program.<sup>2</sup> We cautioned the Commission that using the funding for other purposes, such as to address budget fluctuations in the high-cost program, would be antithetical to the purpose of CAF Phase I to “spur immediate broadband buildout” to American consumers and to close the rural-rural divide by enabling “price cap carriers to extend robust scalable broadband to hundreds of thousands of unserved Americans.”<sup>3</sup>

Please do not hesitate to contact me with any questions regarding this submission.

Respectfully submitted,



Micah M. Caldwell  
Vice President, Regulatory Affairs

cc: Nicholas Degani  
Christine Kurth  
Michael Steffen  
Julie Veach  
Carol Matthey

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FairPoint Communications, Inc. Petition for Waiver of Sections 54.312(b)(2) and (3) of the Commission’s Rules and Conditional Election of Incremental CAF Support, WC Docket Nos. 10-90, 05-337 (filed Sept. 10, 2012); Windstream Election and Petition for Waiver, WC Docket Nos. 10-90, 05-337 (filed July 24, 2012).

<sup>2</sup> *In the Matter of Connect America Fund, et al.*, WC Docket Nos. 10-90, *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, ¶ 22 (rel. Nov. 18, 2011).

<sup>3</sup> *Id.* at ¶ 145.